

XXXXXX AGENCY

3 October 1947

MEMORANDUM FOR: THE NATIONAL SECURITY COUNCIL

SUBJECT: Security Investigations of CIA Employees

1. Attached is a letter from Mr. J. Edgar Hoover, Director of the Federal Bureau of Investigation, voiding, effective 15 October 1947, the arrangement made with that Bureau on 25 September 1946 to conduct the security investigations on personnel employed by and considered for employment by the Central Intelligence Agency.

2. In his letter Mr. Hoover requests that this agency be ready to assume all responsibility for our personnel investigations on 15 October 1947.

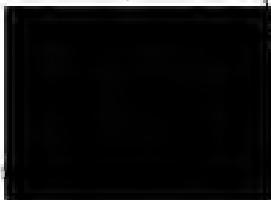
3. The reasons given for voiding the agreement are additional responsibilities placed upon the FBI by executive directives and congressional action.

4. The Central Intelligence Agency has necessarily set, insofar as we are able to determine, the highest security standard for employment of any government agency. To insure the security of our operations it is absolutely essential that we maintain this standard. The scope of the investigations required covers a detailed check into the entire past history of the individual concerned, his immediate family, and his business and social relationships. It often involves nation-wide contacts to adequately complete each investigation.

5. Our agreement with the FBI provides that we reimburse that agency on the basis of \$100 per investigation. It is understood that this fee approximately covers the complete field and overhead cost to the FBI in providing this service. To establish a separate unit within the CIA with adequate personnel and facilities to meet our security standards would undoubtedly be considerably more costly to the government than the present arrangement. It would also require a nation-wide duplication of FBI functions and facilities.

6. In addition to the expense and obvious duplication involved, it would require a minimum of from four to six months to recruit and place into productive operation a CIA investigative unit. During this period it would be necessary to curtail essential planned operations in support of national security. During such a period we would not only be unable to further implement our personnel procurement program, but would actually lose considerable ground through attrition of current employees who could not be replaced for more than a four months' period. Document No. 20-3

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7. Our security clearance requirements through the fiscal year 1949 are estimated as indicated below:

- a. Now with FBI and to be completed by that agency
- b. Buildup and attrition through 30 June 1948
- c. Currently employed but requiring recheck
- d. Buildup and attrition for fiscal year 1949
(1 July 1948-30 June 1949)

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Now with FBI

Additional Requirement

8. Should the decision of the Director of the Federal Bureau of Investigation to discontinue his service to this agency stand, it is requested that:

- a. The National Security Council authorize the CIA to establish an internal investigative unit on a nation-wide basis and provide it with essential facilities and authority to meet the standards of investigation expected of and established by the FBI. We should also be given a directive providing the same standing in government for the results of our investigations of CIA applicants and personnel as the standing now accorded to the FBI investigations.
- b. The FBI be instructed by the President to continue to make personnel investigations for the CIA on the basis of our current agreement for a further six months' period in order that our personnel procurement program may not be completely blocked, with the resultant inability of the CIA to meet its responsibilities in connection with the national security.

/S/
R. H. HILLENKOTTER
Rear Admiral, USN
Director of Central Intelligence

cc: Director, FBI

cc: Exec for I&S

Signer's copy
Exec Registry
Central Records
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Mo (3 Oct 47)